

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 295 - SB 443

February 19, 2011

SUMMARY OF BILL: Exempts the retail sale of used clothing, when sold by a non-profit organization, from state and local sales tax.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- This bill effectively replaces an exemption that was repealed by Public Acts 2007, Public Chapter 602, Section 51. The effective date of repeal was June 28, 2007.
- According to the Department of Revenue (DOR), an error was made during the codification of the repeal of the previous exemption when the effective date for the Streamlined Sales Tax Agreement was postponed. DOR indicates the exemption was not repealed and is still valid.
- DOR does not currently collect sales tax on used clothing when sold by non-profit organizations. This bill codifies current practice.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

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